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NASA Policy Directive

COMPLIANCE IS MANDATORY

NPD 2090.6

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Request Notification of Change

(NASA Only)

Subject: Authority To Enter Into License Agreements and Implementation of Licensing Authority

Responsible Office: Innovative Partnership Program Office

1. POLICY

a. It is NASA's policy, consistent with statutory requirements, to promote the transfer and commercial utilization of inventions arising from NASA-supported research or development in which NASA has an ownership interest by the licensing of such inventions. In accordance with Section 621 of the NASA Authorization Act of 2005 (Public Law 109-155), NASA, through the Innovative Partnership Program, shall implement a technology transfer program that places at least as much emphasis on encouraging the transfer of NASA technology to the private sector as on encouraging the use of private sector technology by NASA. This program shall be maintained in a manner that provides clear benefits for the Agency, the domestic economy, and the research community.

b. The following principles shall be applied to accomplish the policy objectives set forth above:

(1) Pursuant to 35 U.S.C. 207, Federal agencies are authorized to grant exclusive, partially exclusive, or nonexclusive licenses on Federally owned inventions. The term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 U.S.C., or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act.

(2) No license will be granted to a potential licensee who has not provided NASA with a plan for development and/or marketing of the invention at issue.

(3) Preference will be given to a potential licensee who agrees that any products embodying the invention or produced through the use of the invention at issue will be manufactured substantially in the United States.

(4) An exclusive or partially exclusive license will only be granted when all the following conditions are met:

a) Granting the license is a reasonable and necessary incentive to call forth the investment capital and expenditures needed to bring the invention to practical application, or otherwise promote the invention's utilization by the public.

(b) A finding is made by NASA that the public will be served by the granting of the license, as indicated by the potential licensee's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public, and that the proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical application, as proposed by the potential licensee, or otherwise promote the invention's utilization by the public.

(c) The potential licensee makes a commitment to achieve practical application of the invention within a reasonable time, which time may be extended by NASA upon the potential licensee's request, and the potential licensee's demonstration that the refusal of such extension would be unreasonable.

(d) Granting the license will not tend to substantially lessen competition or result in a violation of the Federal antitrust laws.

(e) In the case of an invention covered by a foreign patent application or patent, the interests of the Federal Government or United States industry in foreign commerce will be enhanced.

(5) In negotiating terms for any license granted pursuant to this directive, terms should be negotiated that provide the licensee incentive to commercialize the invention. In the case of exclusive or partially exclusive licenses, such terms shall not tend to substantially lessen competition or create or maintain a violation of Federal antitrust laws.

(6) In no case shall a NASA Center negotiate or enter into a license agreement without the involvement of both the Director of the Innovative Partnerships Program Office (IPPO), or designee(s) within Headquarters and at the Centers, as prescribed by paragraph 5b of this directive, and the General Counsel, or designee(s) (the Agency Counsel for Intellectual Property or Center Patent/Intellectual Property Counsel), as prescribed by paragraph 5c of this directive.

(7) The NASA model license agreement template, as discussed further in paragraph 5c of this directive, shall, to the extent practicable, be employed in negotiation of all license agreements. To the maximum extent practicable, NASA negotiates license agreements to include uniform terms across Centers.

2. APPLICABILITY

This NASA Policy Directive (NPD) is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to JPL, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

3. AUTHORITY

- a. 35 U.S.C. § 207-212. b. 15 U.S.C. § 3710a.

4. APPLICABLE DOCUMENTS

- a. 15 U.S.C. § 3710c, Distribution of Royalties Received by Federal Agencies, and 15 U.S.C. §3710d, Employee Activities.
- b. 14 C.F.R. Subpart 1261.4, Collection of Civil Claims of the United States Arising Out of the Activities of the National Aeronautics and Space Administration.
- c. 37 C.F.R. Part 404, Licensing of Government Owned Inventions.
- d. Executive Order 12591, 3 C.F.R. 220 (1987), Facilitating Access to Science and Technology, as amended by Executive Order 12618, Uniform Treatment of Federally Funded Inventions.
- e. NPR 1400.1, NASA Directives Procedural Requirements.
- f. NPR 1400.2, Publishing NASA Documents in the Federal Register and Responding to Regulatory Actions.
- g. NPR 1441.1, NASA Records Retention Schedules.
- h. NPD 2092.1, Royalties and Other Payments Received by NASA from the Licensing or Assignment of Inventions.
- i. NPR 2092.1, Distribution of Royalties Received by NASA from the Licensing or Assignment of Inventions.
- j. NASA Strategic Plan.

5. RESPONSIBILITY

- a. The Directors of NASA Centers and the Manager of the NASA Management Office-Jet Propulsion Laboratory (NMO-JPL) are responsible for:

(1) Executing (i.e., signing on behalf of the Agency) license agreements related to NASA-developed or NASA-funded technology to which NASA has title and executing modifications and terminations of such license agreements. The authority to sign such agreements may be delegated pursuant to paragraph 5h.

(a) Before executing a license agreement, license modification, or license termination, the official authorized to execute the license agreement, modification, or termination (hereinafter referred to as the "Signing Official") shall consider the recommendations and guidance of the Director of the IPPO and the General Counsel, or their designees, provided in accordance with paragraphs 5b. and 5c. of this Directive.

(b) The Signing Official shall execute an exclusive or partially exclusive license agreement only if he or she has determined that the requirements listed in paragraph 1b(4) of this directive are satisfied.

(c) Consistent with 35 U.S.C. § 207-209, the NASA Strategic Plan and this directive, the Signing Official may develop specific processes and procedures regarding licensing of NASA technology within his or her area of jurisdiction.

b. The Director of the Innovative Partnerships Program Office (IPPO), or designee(s), within Headquarters and at the Centers, is responsible for the following:

- (1) Performing commercial and technology assessments of NASA-owned inventions.
- (2) Conducting activities to publicize availability of NASA-owned inventions to promote licensing of such inventions, identifying potential licensees, and identifying those technologies having significant potential commercial application that can be adapted for NASA mission use or have material potential to result in other partnering opportunities for infusing technology into NASA missions.
- (3) Consulting with Center Patent/Intellectual Property Counsel, or their designee(s), early in the licensing process so that complete, effective, and timely legal review can be accomplished, and informing Counsel of significant issues throughout the licensing process, particularly when any substantive changes to the NASA standard license agreement(s) are being considered.
- (4) Negotiating the terms of license agreements and license modifications. In negotiating license agreements and modifications, IPPO will employ the NASA model license agreement(s), as provided in paragraph 5c(4) of this Directive, to the extent practicable. Additionally, terms, conditions, and milestones may be renegotiated in license modifications, and may include a fee to be paid to NASA for the purpose of incentivizing the licensee to either commercialize the invention in a timely manner or terminate the license. However, debts that have become due must be handled in accordance with NASA regulations and Federal Debt Collection procedures.
- (5) Providing a signature package for each proposed license agreement or modification to the Signing Official. The signature package shall include, but is not limited to:
 - (a) Two original license agreements or modifications signed by the license applicant or licensee.
 - (b) For license agreements, a copy of the license applicant's plan for developing and/or marketing the invention, with IPPO analysis, advice, and recommendation regarding the suitability of the license applicant's business plan and capability to bring the invention to practical application or otherwise promote the invention's utilization by the public, as well as appropriateness of the proposed level of exclusivity.
 - (c) An analysis regarding the potential for the license agreement to result in technology that may be infused back into NASA's missions.
 - (d) Recommendations and advice provided by the Center Patent/Intellectual Property Counsel, including legal review and analysis regarding compliance with appropriate statute, regulations, and NASA policies applicable to the licensing of federally owned inventions.
 - (e) A brief explanation of the terms of the license agreement or modification and of any deviations between the negotiated license agreement or modification and the NASA model license agreement(s).
 - (f) In the case of exclusive and partially exclusive licenses to an invention covered by a foreign patent application or patent, an assessment of whether the benefits to the Federal Government or United States industry in foreign commerce will be enhanced.
- (6) Managing the NASA license portfolio, including:

- (a) Monitoring and administering the performance of executed license agreements.
- (b) Receiving and reviewing licensees' annual reports.
- (c) Tracking the licensees' achievements of required milestones and practical applications under the license agreements.
- (d) Taking appropriate action, in consultation with Center Patent/Intellectual Property Counsel, when a licensee is not compliant with or is in breach of the license agreement.
- (e) Entering and updating license agreements information in the appropriate NASA database(s).
- (f) Providing required information related to NASA license agreements to other Federal agencies, as required by the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3701 et seq.).
- (7) Maintaining the official license files, comprising records associated with the negotiation, execution, modification, termination, and administration of license agreements, in accordance with the NASA Records Retention Schedule (NPR 1441.1D).
- (8) Coordinating with the NASA Shared Services Center (NSSC) on the collection and distribution of royalties and other payments due under license agreements in accordance with NPD 2092.1 and NPR 2092.1. This shall include appointing a Center License Administrator(s) (CLA) for each Center. The CLA, together with the NSSC, shall administer the collection of royalties and other payments due under license agreements and modifications and the distribution of royalties to Centers and eligible inventors. The CLA shall provide monthly reports to the Director of the IPPO and to the Agency Counsel for Intellectual Property of license fees and royalty payments received, by license number.
- (9) Providing for the publication of Federal Register notices for proposed licenses that are exclusive or partially exclusive in accordance with NPR 1400.2.
- (10) Coordinating the execution of Non-Disclosure Agreements (NDA) by licensees or potential licensees when they are provided information on NASA inventions. In accordance with Agency policy and consistent with paragraph 5c(6) of this Directive, the standard NDA provided and implemented by the General Counsel will be used for this purpose. To the extent licensees or potential licensees request alternative NDA language, IPPO must obtain concurrence by the Center Patent/Intellectual Property Counsel before agreeing to the alternative language. The IPPO will also coordinate, in compliance with the NASA OGC Policy on NDAs, responses to requests by licensees and potential licensees for NASA employees to execute NDAs.

c. The General Counsel, or designees (the Agency Counsel for Intellectual Property or Center Patent/Intellectual Property Counsel), are responsible for the following:

- (1) Consulting with the IPPO early in the licensing process regarding all proposed licensing agreement(s) or modifications involving the particular Center.
- (2) Providing timely legal review of all proposed license agreements, license modifications, and license terminations, to ensure compliance with appropriate statutes, regulations, and NASA policies applicable to the licensing of Federally owned inventions.
- (3) Providing the Signing Official, via the signature package prepared by the IPPO under

paragraph 5b(5) of this directive, with analysis, recommendations, and counsel regarding all license agreements, modifications, and terminations, including results of the legal review required at paragraph 5c(2).

(4) Providing and maintaining the NASA model license agreement(s), the legal instrument(s) to be employed in licensing NASA inventions as described herein. Accordingly, this directive requires that uniformity in licensing agreements across Centers be achieved to the maximum extent practicable. When requested to modify a NASA model license agreement, the Director of the IPPO and Agency Counsel for Intellectual Property, or their designee(s), will work jointly toward establishing mutually acceptable standardized language for a model license agreement, as well as acceptability of requests for modifications to the model licensing agreements.

(5) Providing official records associated with the legal review of license agreements, license amendments, and license terminations to IPPO for retention in the official license files referred to in paragraph 5b (7) of this directive.

(6) Ensuring that the standard Agency NDA is used when providing information on NASA inventions to licensees and potential licensees. IPPO and other NASA personnel may use the standard NDA in accordance with Agency policy for the purpose of encouraging licensing opportunities.

d. Decisions regarding patenting of NASA-owned technologies shall be made jointly by the IPPO and the Center Patent/Intellectual Property Counsel. Decision criteria shall include commercial assessments of NASA technology, the potential that commercial applications can be adapted for NASA mission use, and the potential for the NASA technology to result in other partnering opportunities for infusing technology into NASA missions. This collaborative decision-making approach is designed to highlight the importance of the strategic utilization of NASA's intellectual property for the purpose of creating technology infusion opportunities, as well as making NASA technology available for other public benefit.

e. The NASA Chief Financial Officer (CFO), and the Center CFO's, or their designees, are responsible for developing guidelines for the Agency's accounting and distribution of royalties and other payments received under license agreements consistent with the Agency's cost accounting system and budget development procedures. Each Center CFO will ensure that funds obtained pursuant to licensing agreements shall be dispersed in accordance with NPD 2092.1 and NPR 2092.1.

f. The Executive Director of the NASA Share Services Center (NSSC) shall be responsible for coordinating with the Director, IPPO, in accordance with Section 5b(8) of this NPD.

g. Any NASA employee negotiating, amending, executing, or terminating a license agreement under this Directive is required to ensure that the license agreement complies with Agency policy and procedures and legal requirements.

h. The authority set forth in paragraph 5a of this directive may be delegated to NASA employees reporting directly to those enumerated in paragraph 5a. However, any such delegation shall be limited to the fewest number of individuals or organization practicable in order to enhance efficient management of the licensing process. And, such delegation shall not be made to any individual within or supervising an organization having responsibility for providing recommendations or guidance to the Signing Official related to the licensing of NASA inventions under paragraphs 5b and 5c of this directive. All

such delegations must be in writing and indicate the extent and term of the delegation.

6. DELEGATION OF AUTHORITY

None

7. MEASUREMENTS/VERIFICATION

Intellectual Property management measures of success shall be as prescribed by the IPP Annual Performance Goals (APG's) in the annual NASA performance plan.

8. CANCELLATION

None.

/s/ Michael D. Griffin
Administrator

ATTACHMENT A: (TEXT)

None.

(URL for Graphic)

None.

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